

INTRODUCTION

Background

The first Defence Personnel Environment Scan¹ (Scan 2020) was completed in 2001 and provided a significant foundation document on which to build the Department of Defence's personnel knowledge base. Scan 2020 contributed to a better understanding of some of the elements of personnel capability and how these may be influenced by factors not always within the control of the Department. It was the initial step towards developing the Defence People Plan and a Defence Strategic Workforce Plan.

The Defence Personnel Environment Scan 2025 (Scan 2025) identifies and provides analysis of future personnel challenges to inform long-term Defence personnel planning and policy development. Scan 2025 considers internal and external data, drawing on contemporary Defence, national and international research, as well as demographic, workforce, social, economic, health, educational, climate, resource, technological, and warfare trends.

Scan 2025 is a major resource document incorporating significantly more detail and academic rigor to assist with evidence based decision making and consequent personnel policy development. Scan 2025 is intended to be a companion document to the Defence Strategic Workforce Plan (DSWP), by facilitating a better appreciation of the context in which long term decisions on the Defence workforce should be made. The key personnel issues are summarised in Table 61.

Throughout this document the word 'Defence' describes the total Department of Defence workforce. The Defence workforce consists of the Australian Defence Force (ADF) which also includes the ADF Reserve, and Defence Civilians who are members of the Australian Public Service (APS).



1. Schmidlmayr, T. and Ong, P. (2001). *Defence Personnel Environment Scan 2020*. Defence Personnel Executive: Canberra

Australia's security challenges for the next 20 years

As noted in the *Defence White Paper 2000*², and *Defence 2015*³, the world is experiencing profound and rapid change. While the international environment is never static, globalisation is accelerating the movement of ideas and technologies and breaking down geographic and other barriers. These changes bring a multitude of benefits. They also bring an increased level of unpredictability and uncertainty to the strategic environment and possible growth in the range, likelihood, intensity, impact and extent of threats, security challenges and strategic shocks.

Over the next 20 years, issues that will influence Australia's outlook and the shape of the Australian Defence Force include:

The technology revolution	In the future, military forces in the Asia-Pacific region will become increasingly likely and able to acquire innovative capabilities through the technological revolution. Advanced materials and technology will also result in equipment and platforms with greater capability and reach.
Asymmetric threats	Asymmetric threats, such as terrorism and weapons of mass destruction, have already reduced the value of defences built around geographic advantage. The continued emergence and impact of non-state players using or threatening to use asymmetric methods will also encourage others willing to resort to lethal means in pursuit of their goals.
Failing states	The potential fallout from failing states, where economic development, governance and the rule of law have broken down, is heightened because of the risk of convergence with terrorism and the proliferation of weapons of mass destruction. Failing states remain a major and continuing threat to international security.
Economic security	Access to natural resources to maintain or improve national standards of living along with providing security for national natural resources will be an ongoing strategic issue.
Managing the impact of natural and humanitarian disasters	In the future these may become more frequent, extensive and intense.

Source: *Defence 2015*. Defence Capability Strategy, 2006

2. *Defence 2000, Our Future Defence Force - Defence White Paper 2000*. Commonwealth of Australia, 2000

3. *Defence 2015*. Defence Capability Strategy, 2006

These possible strategic futures pose two challenges for Australia. The first is to shape the strategic environment so these futures are less likely to occur or to limit their impact. The second is to shape, build and maintain a military capability that is versatile, adaptable and links easily with other arms of the Australian Government, allies and potential coalition partners – a capability that can meet and sustain the demands of diverse operations and partnerships.

Achieving a stable international security environment will stabilise global economies and through this, sustain all communities. UN Secretary General, Kofi Annan, at the September 2005 World Summit stated:

'We will not enjoy development without security, we will not enjoy security without development, we will not enjoy either without respect for human dignity. Unless all these causes are advanced, none will succeed'¹

1. Source: <http://www.un.org/summit/humanrights.html>

Globalisation, particularly increased competition and the international growth of information and communications technology are significantly impacting on both organisations and employees in Australia. Combined with these global trends are local influences such as the changing demographics of the Australian workforce and new employment arrangements that have in turn changed how work is organised and how skills are applied and remunerated.

Educational changes are based around the need to address shortages in many trades and professions whilst also enhancing the national skill base to allow the nation to move to a *'knowledge based'* economy. It is crucial that the education system produces significantly more scientists and engineers to address many challenging issues centered on environmental changes and an ageing population. The educational changes are being undertaken at a time of increased economic activity where demand for many skills outstrips supply and where workforce profiles indicate a falling number of experienced workers due to an ageing and retiring workforce. In parallel, we are seeing a rise in the number of older people requiring support by both the national health and pension system.

In regard to the physical environment the indications are that the impact of greenhouse gases caused by human activities will cause further global warming and consequently significant environmental effects. Challenges in this arena can only be met by the introduction of alternative sources of energy production. To achieve this there will be a significant demand for scientific, engineering and trade workforces, all of which are in short supply world wide.

Aim of the Scan 2025

The aim of this report is to update and present a Defence Personnel Environment Scan covering internal and external personnel trends in the near future and out to the year 2025. This will provide the guidance for future Defence human resource policies, and serve as a primary resource document to inform and support Defence HR strategic analysis, planning, policies and projects.

Objectives

The aim will be achieved through the following broad objectives:

- A. Produce a high quality research publication that:
 - Analyses relevant contemporary national and international reports, expert and practitioner opinion and judgements that are available in the public arena from other government organisations, academia, industry and professions, trade and union organisations;
 - Identifies and describes future war-fighting, social, economic, demographic, health, educational, climate, resource and technological trends that will impact on the Department of Defence's ability to manage its total workforce to the year 2025; and
 - Summarises those core aspects of these trends to assist with strategic personnel planning and policy development.

- B. Focus the future of Defence HR related policies, projects and planning.

- C. Provide Defence with crucial forward HR intelligence to best position itself in terms of workforce outcomes necessary to sustain war-fighting capabilities and to ensure it possesses a total workforce profile that can support its military requirements.

- D. Provide Defence with an idea of the likely level of national support infrastructure and related workforce skills available to sustain and maintain Defence logistic support capabilities.

Organisation of the report and supporting information

Scan 2025 is organised into the following parts:

- Executive Summary.
- Part 1 – Introduction.
- Part 2 – The Defence personnel environment.
- Part 3 – Australia and the global personnel context.
- Part 4 – Future personnel environment, 2005-2025.
- Part 5 – Bibliography.

Method

Scan 2025 included a much wider data field for analysis than the original Scan 2020. The establishment of Group Human Resource (HR) Liaison Officers to form the Scan 2025 Advisory Group provided the conduit for all Groups and the three Services to be involved and contribute.

The Program Manager was responsible for coordinating inputs from consultants, and internal and external organisations in areas of the Scan 2025 requiring specialist knowledge and comment. Members of the Advisory Group provided information and coordinated feedback specific to their area of interest and expertise on draft sections of the report. The writing of the Scan 2025 drafts and final report was generally an extensive collaborative effort which is why each chapter often has a number of slightly different writing styles. Overall editorial aspects and writing was the responsibility of the Program Manager.

The method comprised the following processes:

- Initial detailed project planning including liaison with Defence Service and Group HR personnel.
- Focused liaison with Federal and State government, industry and union representatives and/or access to specific contemporary and publicly available reports valued for inclusion in the Scan. Much of this work was achieved by library and web based searches.
- Formation of a Defence Personnel Environment Scan 2025 Advisory Group to review Scan 2025 content development and to ensure collaborative inputs to the *'implications for defence'*.
- An extensive data search and collection on a range of future personnel/HR aspects.
- Organisation and presentation of the data.

